

First Union Rail Corporation

One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018-4214
847 318-7575
Fax 847 318-7588

RECORDATION NO. 21383 FILED

MAY 7 '98

3-27 PM

May 5, 1998

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**FIRST
UNION®**

VIA FEDERAL EXPRESS

Surface Transportation Board
Attn: Jan Fort
1925 K Street, N.W.
Room 704
Washington, D.C. 20423-0001

Re: Memorandum of Lease Agreement

Dear Ms. Fort:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301 (a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated April 1, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents. The names and addresses of the parties to the enclosed document are:

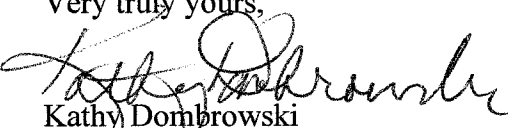
Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Potlatch Corporation
General Office
805 Mill Road
Lewiston, Idaho 83501

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned.

Very truly yours,


Kathy Dombrowski
Manager-Documentation

Enclosures
(POTL001/002)

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ASSIGN: POTL001/002

MAY 7 '98

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MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 1st day of April, 1998, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Potlatch Corporation, a Delaware corporation ("Lessee").

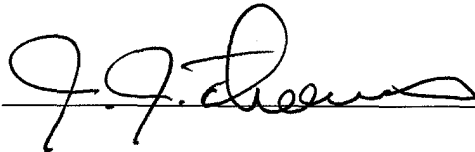
WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of April 1, 1998, whereby Lessor has agreed to lease to Lessee certain railcars being described in more particular on Exhibit A attached, hereto, effective as of the date set forth above and subject to the terms, conditions and provisions of said Lease.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

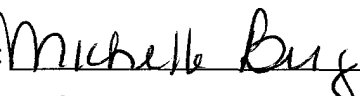
FIRST UNION RAIL CORPORATION

By: 

Name: JACK THOMAS

Title: President

ATTEST:

By: 

Name: Michelle Berg

Title: Office Manager

Executed on this 16 day of April, 1998.

[CORPORATE SEAL]

STATE OF Illinois

COUNTY OF Cook

I, Michelle Berg, a Notary Public in and for said state and county, certify that John J. Thomas personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 16 day of April, 1998.

Michelle Berg
Notary Public

My Commission Expires:



LESSEE:

POTLATCH CORPORATION

run By: Richard K. Kelly

Name: Richard K. Kelly

Title: Vice President-Western Wood Products

ATTEST:

By: Rodney C. Wilson

Name: Rodney C. Wilson

Title: Transportation Manager
Wood Products Group

Executed on this 14 day of April, 1998.

[CORPORATE SEAL]

STATE OF IDAHO

COUNTY OF NEZ PERCE

I, Paul H. Tobin, Jr., a Notary Public in and for said state and county, certify that Richard K. Kelly personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 14th day of April, 1998.

Paul H. Tobin, Jr.
Notary Public

My Commission Expires:

12-21-2000

(Notary Public)

EXHIBIT A
to
Memorandum of Lease
Eight-Seven (87) Boxcars

Car Numbers

STMA	052000
STMA	052001
STMA	052002
STMA	052003
STMA	052004
STMA	052006
STMA	052007
STMA	052008
STMA	052009
STMA	052011
STMA	052012
STMA	052013
STMA	052014
STMA	052015
STMA	052017
STMA	052018
STMA	052019
STMA	052020
STMA	052021
STMA	052022
STMA	052023
STMA	052024
STMA	052026
STMA	052027
STMA	052028
STMA	052049
STMA	052050
STMA	052051
STMA	052052
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STMA	052042
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STMA	052090
STMA	052091
STMA	052092
STMA	052093
STMA	052094
STMA	052095
STMA	052096
STMA	052097
STMA	052099

EXHIBIT A
to
Memorandum of Lease
Twenty-Seven (27) Boxcars

Car Numbers

STMA	060014
STMA	060015
STMA	060025
STMA	060028
STMA	060041
STMA	060045
STMA	060048
STMA	060067
STMA	060088
STMA	060089
STMA	060104
STMA	060106
STMA	060109
STMA	060117
STMA	060128
STMA	060130
STMA	060135
STMA	060138
STMA	060147
STMA	060148
STMA	060151
STMA	060155
STMA	060174
STMA	060175
STMA	060176
STMA	060181
STMA	060184